

Greece Country Profile

EU Tax Centre

June 2017

Key tax factors for efficient cross-border business and investment involving Greece

EU Member State	Yes																																																												
Double Tax Treaties	With:																																																												
	<table><tbody><tr><td>Albania</td><td>Estonia</td><td>Luxembourg</td><td>Slovakia</td></tr><tr><td>Armenia</td><td>Finland</td><td>Malta</td><td>Slovenia</td></tr><tr><td>Austria</td><td>France</td><td>Mexico</td><td>South Africa</td></tr><tr><td>Azerbaijan</td><td>Georgia</td><td>Moldova</td><td>Spain</td></tr><tr><td>Belgium</td><td>Germany</td><td>Morocco</td><td>Sweden</td></tr><tr><td>Bosnia and Herzegovina</td><td>Hungary</td><td>Netherlands</td><td>Switzerland</td></tr><tr><td>Bulgaria</td><td>Iceland</td><td>Norway</td><td>Tunisia</td></tr><tr><td>Canada</td><td>India</td><td>Poland</td><td>Turkey</td></tr><tr><td>China</td><td>Rep. of Ireland</td><td>Portugal</td><td>UAE</td></tr><tr><td>Croatia</td><td>Israel</td><td>Qatar</td><td>UK</td></tr><tr><td>Cyprus</td><td>Italy</td><td>Romania</td><td>Ukraine</td></tr><tr><td>Czech Rep.</td><td>Rep. of Korea</td><td>Russia</td><td>US</td></tr><tr><td>Denmark</td><td>Kuwait,</td><td>San Marino</td><td>Uzbekistan</td></tr><tr><td>Egypt</td><td>Latvia</td><td>Saudi Arabia</td><td></td></tr><tr><td></td><td>Lithuania</td><td>Serbia</td><td></td></tr></tbody></table>	Albania	Estonia	Luxembourg	Slovakia	Armenia	Finland	Malta	Slovenia	Austria	France	Mexico	South Africa	Azerbaijan	Georgia	Moldova	Spain	Belgium	Germany	Morocco	Sweden	Bosnia and Herzegovina	Hungary	Netherlands	Switzerland	Bulgaria	Iceland	Norway	Tunisia	Canada	India	Poland	Turkey	China	Rep. of Ireland	Portugal	UAE	Croatia	Israel	Qatar	UK	Cyprus	Italy	Romania	Ukraine	Czech Rep.	Rep. of Korea	Russia	US	Denmark	Kuwait,	San Marino	Uzbekistan	Egypt	Latvia	Saudi Arabia			Lithuania	Serbia	
Albania	Estonia	Luxembourg	Slovakia																																																										
Armenia	Finland	Malta	Slovenia																																																										
Austria	France	Mexico	South Africa																																																										
Azerbaijan	Georgia	Moldova	Spain																																																										
Belgium	Germany	Morocco	Sweden																																																										
Bosnia and Herzegovina	Hungary	Netherlands	Switzerland																																																										
Bulgaria	Iceland	Norway	Tunisia																																																										
Canada	India	Poland	Turkey																																																										
China	Rep. of Ireland	Portugal	UAE																																																										
Croatia	Israel	Qatar	UK																																																										
Cyprus	Italy	Romania	Ukraine																																																										
Czech Rep.	Rep. of Korea	Russia	US																																																										
Denmark	Kuwait,	San Marino	Uzbekistan																																																										
Egypt	Latvia	Saudi Arabia																																																											
	Lithuania	Serbia																																																											
Forms of doing business	Société Anonymes (AE) companies, Limited Liability companies (ΕΠΕ) and Private Capital Companies (IKE).																																																												
Legal entity capital requirements	For AE companies: EUR 24,000. For EPE companies: No minimum capital requirements exist. For IKE companies: EUR 1.																																																												
Residence and tax system	A company is resident either if it has been established in accordance with Greek law, or its registered address or its place of effective management is in Greece. Resident companies are taxed on their worldwide income. Non-resident companies are taxed only on their Greek source income.																																																												



Compliance requirements for CIT purposes	Filing of annual income tax returns. Recording of entries in accounting books. Fiscal year is the calendar year or period ending on 30 June, unless majority foreign parent has different year end and opts to use this.
Tax rate	The standard corporate income tax rate is 29 percent.
Withholding tax rates	<p>On dividends paid to non-resident companies</p> <p>A 15 percent dividend WHT applies on distributed profits. An exemption from dividend WHT is available if the EU Parent-Subsidiary Directive applies (based on the conditions mentioned below for inbound dividends) or could be reduced based on available double tax treaties. The EU Directive applies in relation to outbound dividends paid to EU entities if the following two conditions are met by the EU Parent Company:</p> <ul style="list-style-type: none"> ■ Participation requirement: 10 percent; ■ Minimum holding period: 24 months. <p>On interest paid to non-resident companies</p> <p>A 15 percent WHT applies (exemption applies subject to certain conditions).</p> <p>On patent royalties and certain copyright royalties paid to non-resident companies</p> <p>A 20 percent WHT applies (exemption applies subject to certain conditions).</p> <p>On fees for technical services</p> <p>20 percent</p> <p>On other payments</p> <p>20 percent</p> <p>Branch withholding tax</p> <p>None</p>
Holding rules	<p>Dividend received from resident/non-resident subsidiaries</p> <p>Dividends are exempt (100 percent) if:</p> <ol style="list-style-type: none"> a) The receiving resident company has at least a 10 percent holding in the capital or voting rights of the distributing company, b) The holding is maintained for at least 24 months, and c) The distributing company is not resident in a 'non-cooperative' state <p>Capital gains obtained from resident/non-resident subsidiaries</p> <p>The sale of shares by a Greek company is subject to Greek corporate income</p>

	tax, subject to possible exemptions under treaties.
Tax losses	The carry-forward period for losses is 5 years.
Tax consolidation rules/Group relief rules	No
Registration duties	Capital concentration tax of 1.1 percent applies on the nominal share capital for capital increases of Greek AE legal entities and 1 percent for capital increases of Greek EPE legal entities and on contributed capital of branches of non-EU resident entities.
Transfer duties	<p>On the transfer of shares</p> <p>0.2 percent stock exchange transaction duty applies on the sale/transfer of shares listed on the Athens Stock Exchange.</p> <p>On the transfer of land and buildings</p> <p>VAT is imposed on the transfer of new buildings (whose construction licenses were issued or amended after January 1, 2006) at the rate of 24 percent, on condition that they are to be used for the first time by the purchaser.</p> <p>Following this first transfer, every subsequent transfer is subject to real estate transfer tax at the rate of 3 percent. A local authority surcharge, equal to 3% of the transfer tax, is also levied. For legal entities, capital gains from the sale of real estate are taxed as business profits at the standard tax rate.</p>
Stamp duties	No
Real estate taxes	<p>The ownership of real estate is subject to the Unified Real Estate Ownership Tax (UREOT), which comprises a main tax and a supplementary tax. The main tax on buildings ranges from EUR 2 to EUR 13 per square meter depending on their location/tax zone, multiplied by certain coefficients depending on the building's age, etc. The main tax for plots of land located within city limits or zoned areas ranges from EUR 0.0037 to EUR 11.25 per square meter depending on their location/tax zone. The main tax for plots of land located outside city limits or zoned areas is EUR 0.001 per square meter, multiplied by certain coefficients depending on their use, whether they are irrigated, etc. The main tax is increased fivefold, if there is a building on the land. A supplementary tax is imposed on all real estate owned by legal entities at the rate of 0.55 percent of the objective tax value.</p>

Controlled Foreign Company rules	Yes
Transfer pricing rules	<p>General transfer pricing rules</p> <p>Yes. Intragroup transactions (domestic and cross border) should follow the arm's length principle in accordance with the OECD guidelines. Profit adjustments may result.</p>
	<p>Documentation requirement?</p> <p>Yes.</p>
Thin capitalization rules	Yes
General Anti-Avoidance rules (GAAR)	Yes
Specific Anti-Avoidance rules/Anti-Treaty Shopping Provisions	Business transactions/transformations etc. should be supported by a valid and solid business rationale to mitigate the risk that the tax authorities might consider them as being carried out for tax avoidance purposes. Transfer Pricing, Controlled Foreign Company and Thin Capitalization rules are applicable. There are no Anti-Treaty Shopping provisions.
Advance Ruling system	Yes. Rulings can be obtained, but are not binding although they are generally adhered to by tax authorities. They are not subject to the payment of a fee.
IP / R&D incentives	Yes
Other incentives	Some investment incentives are available.
VAT	<p>The standard rate is 24 percent. There are reduced rates of 13 percent and 6 percent for certain goods/services.</p> <p>In 2017, the standard rate for certain remote Greek islands in the Aegean sea is 17 percent.</p>
Other points of attention	No

Source: Greek tax law and local tax administration guidelines, updated 2017.



Contact us

Angela Iliadis

KPMG in Greece

T +30 210 60 62 116

E ailiadis@kpmg.gr

www.kpmg.com

© 2017 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

Country Profile is published by KPMG International Cooperative in collaboration with the EU Tax Centre. Its content should be viewed only as a general guide and should not be relied on without consulting your local KPMG tax adviser for the specific application of a country's tax rules to your own situation. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

